



May 2, 2016

Honorable Chair Boldt and Clark County Councilors Madore, Mielke, Olson, and Stewart

Honorable Chair Morasch and Planning Commissioners Barca, Bender, Blom, Johnson, Quiring and Wright

Subject: Long Term Clark County Population Growth Forecast

Dear Councilors and Planning Commissioners:

Thank you for the opportunity to comment as this update nears its conclusion. As City representatives we write to you with concerns about recent efforts to start a new process with a new population growth forecast this year or next. Local jurisdictions have used the currently adopted forecast to develop their long term plans, and do not believe a change is supported by the evidence, nor in the policy interests of Clark County or its cities. Beginning a new countywide process now or in the next year would also place tremendous administrative costs on all local jurisdictions, including Clark County.

Growth forecasts as you know are foundational for long term planning. They drive the amount of land that must be provided for growth, which in turn greatly influences the amount and general type of development that occurs, and the services that must be provided. The Hearings Boards have ruled that they are policy as well as technical choices under GMA.<sup>1</sup> Clark County's adopted 2035 forecast of 577,431 persons countywide has already been significantly increased once during this update, and accommodates 15,000 more people than what the Washington Office of Financial Management (OFM) projects as most likely to occur. Local cities have all testified that this forecast provides for anticipated long term growth.

However, recent submittals to the record from a County Councilor and a local stakeholder association now argue, based mainly on a single piece of data, that this adopted forecast is obsolete and legal action will be forthcoming unless the County establishes a new planning process right after the current one concludes this June.<sup>2</sup>

We fully respect that different parties may have different views on growth issues. However, a brief examination of these recent claims reveals that they misinterpret the data cited, and say little to nothing about what the adopted forecast is, what its likely implications are, or what various safeguards exist in the GMA process ensuring land supplies are adequate. Before considering any such options now or in the future, we would urge that you consider the following. It is provided not as a criticism, but as an effort to provide the full range of technical and policy information that we believe should be considered when establishing long term community growth targets.

**The recent claims against the adopted forecast are based on a misreading of the data cited**

Both claims cite a recently published US Census Bureau estimate of Clark County's 2015 population, which are larger than OFM's equivalent 2015 estimate. The implication is that OFM's future forecasting must therefore also be too low, and by extension the County's adopted long term forecast inappropriate.

This argument ignores the following:

- 1) The US Census 2015 population estimate is for three months later in the year than the OFM current estimate, so it is expected to be larger,
- 2) In non-decennial years like 2015, the US Census Bureau does not provide a population count, but rather an estimate based on survey-driven assumptions applied to the last actual population count in 2010. OFM's annual estimates are at least based on actual counts of local residential building permits by housing type.
- 3) The most recent OFM estimate that can be checked against an actual population count was 2010, when OFM overestimated the Clark County population by 2.5%,<sup>3</sup> and
- 4) Even if OFM's current estimates were somehow low *and* its future projections were also low, the adopted Clark County forecast would not necessarily be inappropriate, since it calls for significantly more population than OFM predicts is most likely to occur here.

**The claims omit key information about the County's adopted forecast, and about land supply safeguards that are built into the planning process:**

- **By the numbers, the County's adopted population forecast and the growth it provides for are fully reasonable:**
  - The adopted forecast of 577,431 is within OFM's range of reasonable forecast options, and is 15,000 persons higher than what OFM projects as most likely to occur.
  - The adopted forecast provides for growth of more than 128,000 additional persons countywide, a population increase equivalent to adding all of the small cities, twice.

- Taken over 20 years this population growth would average 1.26% annually. This would be a faster annual growth than the United States (0.7%), Washington (0.9%), Oregon (1.1%), or the 7-County Portland MSA (1.1%) are projected to grow annually over similar periods. It also faster than Clark County itself has grown annually since 2010 and the end of the national recession (1.21%)<sup>4</sup>
- In practice, because the forecast is required by law to be updated at least every eight years, Clark County could grow up to 3% per year before land supplies are used up
- **To further ensure land supplies are adequate, Clark County’s adopted development assumptions provide additional padding.** Development assumptions as well as the forecast determine how much land is provided for growth. County adopted VBLM assumptions for housing densities have not been increased since 2004, and likely underestimate recent local housing density trends, thereby overestimating land supply needs. The one residential assumption that has been updated is to increase the “market factor” (the amount of extra residential land needed in UGAs to compensate for otherwise fully buildable urban land that does not develop during the 20-year planning period for market reasons) to 15%
- **The forecast can be increased in upcoming years if needed, but not easily reduced.** GMA requires updating 20-year forecasts and land supplies at least every eight years, and allows more frequent updates if needed. However, adjusting downwards from an overly large forecast or land supply can be difficult to impossible, as lands that are included in Urban Growth Areas cannot be readily de-designated once they or nearby properties have developed
- **Rural land uses are not tied to the forecast.** A higher countywide forecast is not needed or justified to support a particular rural land use outcome, since GMA does not require rural land uses to be subject to a detailed land capacity analysis as urban areas are

**The claims omit or in our view misstate policy implications of the forecast:**

- **The adopted forecast allows for improvement of the ratio of jobs to housing countywide, which a higher population forecast would hinder.** Population and employment forecasts are adopted separately under GMA. Clark County’s population forecast, coupled with the more aggressive jobs forecast also adopted, allows an opportunity to improve the ratio of jobs to housing countywide, one of the basic economic development objectives the County has emphasized throughout this update, and which the Cities have supported. Increasing the population forecast will undermine this goal

- **The adopted forecast does not significantly increase capital facilities costs.** The adopted forecast would not force large scale land use changes in this update cycle, and allows the County and local jurisdictions to focus primarily on catching up with the backlog of existing service deficits in existing areas, until the next update. By contrast a higher population forecast would likely trigger significant land use expansions now, facilitating higher levels of growth and significant capital facility needs and costs. In order not to be caught short if growth occurs faster than anticipated, there are several ways to conservatively plan for capital facilities that do not increase the needs for those facilities like a higher forecast would. These include conservatively estimating individual capital project costs, or estimating higher levels of service demand per capita, or assuming more of the anticipated population growth will occur in the early years of the planning period as Clark County has previously done.
- **The adopted forecast will not worsen housing affordability.** Claims that the adopted forecast would continue chronic land shortages that have caused local affordability problems ignore local history. Affordability has indeed worsened in recent years, but in Clark County this occurred following the 2007 update, which included the largest countywide UGA expansions in state history, primarily for residential land. Those expansions came right on the heels of large local residential UGA expansions in 2004.

Such claims also contradict various economic studies in Washington and elsewhere which on balance find that land supply limitations and UGA boundaries have limited impacts on overall housing prices, as long as boundaries are updated over time and are not overly constricted. This doesn't mean overall land supply limits won't impact housing prices over the long term, but the magnitude of impacts are lessened by several factors. One is that expanded UGAs, which would be triggered by a higher forecast, are not the only or even the main way that housing demand will be accommodated, most home sales or rentals countywide will occur in existing housing units in existing areas, or new units constructed in those existing areas. A second is that land costs are only one component of housing costs, with labor and materials typically the largest part. Further, studies also note that UGAs often encourage more efficient use of land, resulting in a greater range of housing options and price points available to consumers.<sup>5</sup>

A higher population forecast would be particularly ineffective in addressing housing affordability under current Clark County zoning standards. At the urban edge where new UGA expansions triggered by a higher population forecast would occur, these standards require virtually all new residential development to be in the form of single family lots, almost all at least 10,000 or 20,000 square feet or larger in size, which are unaffordable to

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the majority of local citizens. While there may be other legitimate policy reasons for these large lot zoning requirements, it should be understood that they limit the ability of simply adding new land to improve overall housing affordability.

Lastly, higher population growth forecasts and significantly expanded UGAs would likely require higher impact fees, which further limit housing affordability, and do not pay for non-capital public service costs of new growth, or even the full life-cycle capital costs.

- **The adopted forecast lessens the need for more drastic slowing in the long term.** Clark County has a finite amount of total land that can be used for growth over the long term. Limits may be reached in coming decades, depending on how many rural and resource lands are converted to urban use. Once build-out is achieved, the annual rate of growth countywide will by necessity be slowed, as evidenced by lower growth rates observed in counties and cities which have already reached this point, and by the GMA itself.<sup>6</sup> Indefinitely sustaining past growth rates in Clark County is mathematically impossible over time, and will only result in having to slow down more abruptly in the future.

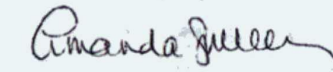
Again, thank you for the opportunity to comment. Do not hesitate to contact us if you have questions or concerns about this information. We look forward to continued growth and prosperity in urban and rural areas throughout the county, and believe the forecasts adopted for this update cycle are fully sufficient to help this happen. No single future forecast is perfect, but we do believe adopting growth targets must include accurate assessments of where we are, as well as a full consideration of all policy and practical impacts of charting a future course. This includes consideration of future adjustments to that course, and consideration of the longer term beyond this update.

Sincerely,


  
City of Battle Ground


  
City of La Center

  
City of Vancouver

  
City of Woodland

  
City of Camas

  
City of Ridgefield

  
City of Washougal

#### Notes

1. *Karpinski et al v. Clark County*, Case No. 07-2-0027 (Amended FDO (June 3, 2008) at 11-13.
2. <ftp://ccplanning.clark.wa.gov/2016%20COMP%20PLAN%20DOCUMENTS/2%20-%202016%20COMP%20PLAN%20DOCUMENTS/771773.pdf>;  
<ftp://ccplanning.clark.wa.gov/2016%20COMP%20PLAN%20DOCUMENTS/2%20-%202016%20COMP%20PLAN%20DOCUMENTS/772037.pdf>
3. <http://www.ofm.wa.gov/researchbriefs/2011/brief063.pdf>
4. 2015-35 population projections from 2014 Urban Growth Report Appendix 1a, Page 4  
<http://www.oregonmetro.gov/sites/default/files/2014UGR-Appendix-1a-forecast-Final.pdf>  
2010-15 estimates from [http://www.ofm.wa.gov/pop/april1/ofm\\_april1\\_population\\_final.pdf](http://www.ofm.wa.gov/pop/april1/ofm_april1_population_final.pdf)
5. McIntire & Easton, *The Impact of Urban Growth Boundaries on Housing Costs in King County*, 1997;  
Nelson, *The link between growth management and housing affordability: The academic evidence* 2002;  
Goodstein, *Growth Management and Housing Prices: The Case of Portland OR 1998*; Downs, *Have Housing Prices Risen Faster in Portland than Elsewhere?* 2002
6. Annual growth rates, 2000-2015: King Co 1.12%, City of Seattle 1.09%, Pierce Co 1.14%, City of Tacoma 0.3%;  
WAC 365-196-310(4)(a)(iii)(C)(II): *Counties and cities facing immediate physical or other land supply limitations may consider these limitations in selecting a forecast*

## Schroader, Kathy

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**From:** Wisner, Sonja  
**Sent:** Monday, May 02, 2016 2:47 PM  
**To:** Albrecht, Gary, Alvarez, Jose, Anderson, Colete, Euler, Gordon, Hermen, Matt, Kamp, Jacqueline, Lebowsky, Laurie, Lumbantobing, Sharon, Orjiako, Oliver, Schroader, Kathy, Wisner, Sonja  
**Subject:** FW: Joint Cities Correspondance to Clark County  
**Attachments:** 16 05 02 cities pop fcst ltr fnl pdf

Fyi and for the record

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**From:** Armour, Rosemary  
**Sent:** Monday, May 02, 2016 2:11 PM  
**To:** Cnty 2016 Comp Plan; Tilton, Rebecca; Orjiako, Oliver; Wisner, Sonja  
**Subject:** Joint Cities Correspondance to Clark County

Attached please find joint correspondence from Clark County cities regarding the population growth forecast adopted for the 2016 Comprehensive Plan update

Thank you

Rosemary Armour/Support Specialist



CITY OF VANCOUVER, WASHINGTON  
Community and Economic Development Department/Economic Development  
PO Box 1995 • Vancouver, WA, 98668  
(360) 487-7813  
TTY: (360) 487-8602 | WA Relay: 711  
[www.cityofvancouver.us](http://www.cityofvancouver.us) | [www.cityofvancouver.us/socialmedia](http://www.cityofvancouver.us/socialmedia)

